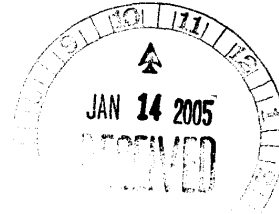


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January 13, 2005

VIA U.P.S. OVERNIGHT

The Honorable Vernon A. Williams
Surface Transportation Board
1925 "K" St., N.W.
Washington, DC 20423-0001

RE: Docket No. AB-33(Sub-No.227X), Union Pacific Railroad Company
- Abandonment Exemption - In Caribou County, Idaho from M.P. 23.90 to
M.P. 24.11 (Dry Valley Subdivision)

Dear Mr. Williams:

Attached hereto is an Order from the Idaho Public Utilities Commission concerning the notice of intent to abandon a portion of the Dry Valley Line running from Milepost 23.90 to Milepost 24.11. The Idaho Public Utilities Commission finds that the sale of the quarter (1/4) mile Line to Agrium will not adversely affect any other shipper and that the Idaho Public Utilities Commission does not oppose the abandonment.

Sincerely,

Enclosure

cc: All parties of record

O:\ABANDONMENTS\33-227X\STB-5.Ltr.doc

ENTERED
Office of Proceedings
JAN 14 2005
Part of
Public Record

Mack H. Shumate, Jr.
Senior General Attorney, Law Department

UNION PACIFIC RAILROAD
101 N. Wacker Dr., Rm. 1920, Chicago, IL 60606-1718
ph. (312) 777-2055 fx. (312) 777-2065

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF UNION PACIFIC)
RAILROAD'S INTENT TO ABANDON A) CASE NO. UPR-R-04-2
PORTION OF THE DRY VALLEY)
SUBDIVISION BETWEEN MP 23.90 TO MP)
24.11 IN CARIBOU COUNTY, IDAHO.) ORDER NO. 29683
_____)

On November 10, 2004, Union Pacific Railroad filed a Combined Environmental and Historical Report with the Commission stating that it intended to file a petition with the Surface Transportation Board (STB) to abandon part of the Dry Valley rail line in Caribou County, Idaho. The line proposed for abandonment is a short stretch of track approximately 0.21 miles in length running from milepost (MP) 23.90 to MP 24.11. The STB is the entity of the U.S. Department of Transportation authorized to grant or deny rail line abandonment.

On December 14, 2004, the Commission issued a Notice of Intent to Abandon and a Notice of Hearing. The Commission held a public hearing January 6, 2005 in Boise. The purpose of the hearing was to obtain public testimony so the Commission could determine whether abandonment of the line would be adverse to Idaho's public interest. On December 16, 2004, Union Pacific filed its Petition for Exemption with the STB. 70 Fed.Reg. 938 (Jan. 5, 2005).

THE PETITION FOR EXEMPTION

The track segment in question is used to serve a single customer that ships phosphate ore from a mining operation in Dry Valley. The line was constructed in 1965 by Union Pacific for the El Paso Gas Products Company. Union Pacific states the sole reason for the proposed abandonment is to sell this quarter-mile of track to the mining shipper, Agrium. Selling this track to Agrium will provide it more track space and allow Agrium to assemble larger dedicated unit trains with its own personnel. There are no other shippers in the area and there is no overhead traffic on this line. Consequently, Union Pacific asserts that the abandonment and the subsequent sale will not result in the loss of rail service to Agrium.

THE PUBLIC HEARING

The Commission convened a public hearing in this matter. Appearances were entered by Union Pacific and the Commission Staff. Representatives from Agrium also attended

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the hearing. No one testified in opposition to the proposed abandonment. The Commission Staff asserted that the abandonment and eventual sale to Agrium was in the public interest.

FINDINGS

Based upon our review of the Petition and the lack of any opposition, we find that the abandonment does not adversely affect the area being served. As noted in the Railroad's Petition and the Combined Environmental and Historical Report, abandonment will allow Union Pacific to sell the line to Agrium. We further find that the abandonment and sale to Agrium will not adversely affect any other shippers. Consequently, the Commission does not oppose abandonment.

ORDER

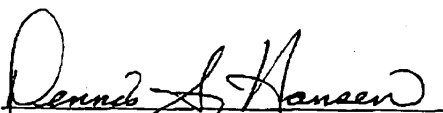
IT IS HEREBY ORDERED that this case be closed. The Commission shall not object to the abandonment of this line.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. UPR-R-04-2 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this Case No. UPR-R-04-2. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

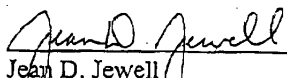
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10th
day of January 2005.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

bis/O:UPRR0402_dh2

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